

APD Alert



Small Business Administration (SBA) Identification of Possible Competitive 8(a) Set Aside

Background:

Occasionally, the U.S. Small Business Administration (SBA) will identify projects for possible competitive 8(a) set asides based on the premise that there is reasonable likelihood that there will be at least two 8(a) firms capable of performing the requirement. The SBA may target requirements that exceed \$6.5 million for acquisitions assigned manufacturing North American Industry Classification Systems (NAICS) codes and \$4 million for all other acquisitions.

Policy Guidance:

The Contracting Officer (CO) shall work jointly with the REE Small Business Coordinator in the Acquisition and Property Division (APD) Acquisition Programs and Oversight Branch (APOB) to develop a response to the SBA. Compliance with the request may occur only after ensuring, through market research, that there is a reasonable expectation of offers from at least two eligible and responsible 8(a) firms that have the required technical capabilities and that award can be made at a fair market price.

Action Required by REE Contracting Officers:

The CO shall notify APOB by providing a copy of the SBA request and a copy of the CO's draft response to SBA.

The CO shall conduct a thorough market research in accordance with Federal Acquisition Regulation (FAR) Part 10.

The response shall:

- 1) Comply with the policies and procedures of the FAR, the Agriculture Acquisition Regulation (AGAR), and consider its effect on the goals of the Procurement Preference Program and the Procurement Forecast;
- 2) Consider the size and complexity of the requirement;
- 3) Consider the availability, eligibility, and responsibility of 8(a) firms; and,
- 4) Consider the likelihood of achieving a fair market price.

If information is not available in sufficient detail to conduct a valid market research (e.g. a construction project in which the design and estimate are not yet complete), the initial response to the SBA may advise of the CO's intent to conduct a market search for 8(a) sources including the evaluation of capabilities and past performance information. The response should also include an estimated timeframe for the follow-on response.

APD Point of Contact:

If you have any questions regarding this alert, please contact the Acquisition Programs and Oversight Branch (APOB), on 301-504-1725, or via e-mail at APOB@ars.usda.gov.

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